

Message Text

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ACTION ARA-20

INFO OCT-01 ADP-00 AID-20 PC-04 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15

USIA-15 COME-00 EB-11 LAB-06 SIL-01 NIC-01 OPR-02

OMB-01 IGA-02 RSR-01 /138 W
----- 082688

R 281530Z JUL 73

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 2102

INFO AMEMBASSY GUATEMALA

AMEMBASSY SAN JOSE

AMEMBASSY TEGUCIGALPA

AMEMBASSY SAN SALVADOR

USCINCSO

C O N F I D E N T I A L MANAGUA 3250

USCINCSO FOR POLAD

E.O. 11652: GDS

TAGS: PINT, PGOV, ELAB, NU

SUBJECT: WEEKLY POLITICAL SUMMARY-JULY 15-27, 1973

REF: MANAGUA 3163

1. OPPOSITION POTPOURRI-- ACTIVE POLITICAL FERMENT IN OPPOSITION CIRCLES IS PRODUCING STEADY STREAM OF RUMOURS AND REPORTS. THE FOLLOWING ARE SOME OF THE MORE INTERESTING CURRENTLY CIRCULATING. OPPOSITION LEADERS RAMIRO SACASA AND PEDRO JOAQUIN CHAMORRO REPORTEDLY MET WITH THE ARCHBISHOP OBANDO Y BRAVO LAST WEEK AND RECEIVED A GENERAL COMMITMENT OF SUPPORT FOR THEIR EFFORTS TO FORM A NATIONAL UNITY MOVEMENT. A GROUP OF KEY PAGUAGA SUPPORTERS (PCN-P), INCLUDING PAGUAGA'S CLOSET FRIEND URIEL HERDOCIA AND COUSIN EDGARD PAGUAGA, ARE FLOATING THE IDEA OF OFFERING THE PARTY'S PLACE ON THE BALLOT TO RAMIRO SACASA. SUPREME COURT
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JUDGE RODOLF SANDINO (PCN-P) PROUDLY REFERRED TO JOSE JOAQUIN

CUADRA AS "MY CANDIDATE" BEFORE A GROUP AT THE SPANISH NATIONAL DAY RECEPTION; THEREBY PUBLICLY CONFIRMING A REPORTED DEAL TO GIVE PAGUAGA THE PCN-P PRESIDENCY WHILE CUADRA BECOMES THE PARTY'S 1974 PRESIDENTIAL CANDIDATE. AN IMPORTANT GROUP OF AGUERISTAS FROM THE LEON-CHINANDEGA AREA SAY THEY INTEND TO PRESS DR. AGUERO (PCN-A) TO MAKE A SERIOUS EFFORT TO COME TO TERMS WITH THE SACASA-CHAMORRO COLITION MOVEMENT, INCLUDING ACCEPTING A SUBORDINATE ROLE IF NECESSARY. AGUERO INSIDERS, MEANWHILE, REPORT THAT THE PCN-A IS SERIOUSLY CONSIDERING CHANGING THE PARTY'S NAME TO NATIONAL REVOLUTIONARY PARTY (PARTIDO REVOLUCIONARIO NACIONAL) TO EMPHASIZE ITS NEW NATIONALISTIC AND REVOLUTIONARY ORIENTATION. PLANS ARE PROCEEDING FOR A "MAJOR" AGUERO RALLY IN RIVAS AUGUST 5. COMMENT: WE WILL BE FOLLOWING UP ON THESE RUMOURS AND REPORTS TO DETERMINE HOW MUCH SUBSTANCE THERE IS TO THEM. END COMMENT.

2. GON REPEALS UNPOPULAR DECREES--IN AN APPARENT EFFORT TO APPEASE LABOR AND DEAL WITH INCREASING UNREST OVER THE RISING COST OF LIVING. THE GON TOOK THE INITIATIVE TO ALTER TWO UNPOPULAR EMERGENCY MEASURES PASSED IN JANUARY 1973. THE SECTION OF DECREE 86 WHICH ALLOWED THE LABOR MINISTRY TO AUTHORIZE A 60 HOUR STRAIGHT WORK WEEK FOR CERTAIN COMPANIES WAS REPEALED BY THE CONSTITUENT ASSEMBLY JULY 25. THE ASSEMBLY ALSO INCREASED THE NUMBER OF LEGAL HOLIDAYS FROM 5 TO 9, THEREBY RESTORING HALF OF THE HOLIDAYS ELIMINATED BY DECREE 86. THIS WAS THE DECREE WHICH PROVOKED A CONSTRUCTION WORKERS STRIKE IN APRIL. IT HAS BEEN INOPERATIVE SINCE THAT STRIKE WAS SETTLED IN MAY. THE CONSTITUENT ASSEMBLY ALSO AMENDED DECREE 83, WHICH IMPOSED AN 8 PERCENT RECONSTRUCTION TAX ON THE SALARIES OF ALL PUBLIC EMPLOYEES, TO LIMIT THIS TAX TO ONLY THOSE EARNING MORE THAN 1,500 CORDOBAS (US\$214.00) PER MONTH. THIS WILL RELIEVE APPROXIMATELY 90 PERCENT OF THE 40 THOUSAND PUBLIC EMPLOYEES OF PAYING THE TAX, INCLUDING THE HOSPITAL INTERNS AND THE NON-PROFESSIONAL HOSPITAL WORKERS NOW ON STRIKE. STRIKING MEDICAL RESIDENTS HOWEVER, AT LEAST AT VELEZ PAIZ, EARN OVER 1,500 CORDOBAS. BOTH DECREES BY THE GON SHOULD FACILITATE A SETTLEMENT OF THE HOSPITAL WORKERS STRIKE, AS WELL AS HELP TO FORESTALL OTHER STRIKES. TEACHERS, FOR INSTANCE, WERE BECOMING INCREASINGLY RESTIVE OVER THE 8 PERCENT TAX. END COMMENT.

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3. CONSTRUCTION STRKE ENDS--MANAGUA'S SIX WEEK CONSTRUCTION STRIKE FORMMALLY ENDED JULY 23 WITH THE SIGNING OF A NEW 2-YEAR CONTRACT GIVING 40 PERCENT PAY BOOST (MANAGUA 3161). THROUGHOUT THE WEEK CONSTRUCTION WORKERS HAVE BEEN BACK AT THEIR JOBS ALTHOUGH THERE WRE NUMEROUS STRAGGLERS WHO WERE FINISHING UP SMALL PROJECTS WHICH THEY HAD CONTRACTED TO DO DURING THE STRIKE LAY-OFF. RECONSTRUCTION IS NOW BACK TO NORMAL IN MANAGA.

4. AGUE

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ILS TO SHOW BUT AGUERISTAS ENLIVEN ASSEMBLY--HAVING
FORMALLY NOTIFIED THE CONSTITUENT ASSEMBLY ON JULY 122 THAT HE
INTENDED TO REASSUME HIS SEAT AFTER JULY 20, PCN-A LEADER
DR. FERNANDO AGUERO FAILED TO SHOW UP FOR THE JULY 25 SESSION.
THIS WAS PARTICULARLY DISAPPOINTING TO THE PAGUAGISTA (PCN-P)
DEPUTIES WHO WERE HOPING TO GET A FEW PUBLIC POLITICAL SHOTS AT
HIM. THE 20 AGUERISTA DEPUTIES IN ATTENDANCE MANAGED TO MAKE
UP FOR HIS ABSENCE HOWEVER. SINCE THE AGUERISTA DEPUTIES HAD
TRIED TO INTRODUCE A MEASURE REPEALING THE 8 PERCENT RE-
CONSTRUCTION TAX ON ALL PUBLIC EMPLOYEES AT THE LAST SESSION AND
IT WAS RULED "ILLEGAL" BY THE LIBERAL PESIDING OFFICER, THEY BECAME
ENRAGED WHEN THE CHAIR READILY ACCEPTED A PLN INITIATIVE TO AMEND
THE LAW TO EXEMPT ABOUT 90PERCENT OF PUBLIC EMPLOYEES FROM THE TAX.
THEIR FRUSTRATION WAS INCREASED WHEN THE PLN ALSO PASSED A
MOTION TO REPEAL THE 60 HOUR WEEK DECREE WHEN THEY HAD TRIED
UNSUCCESSFULLY TO INTRODUCE A SIMILAR MEASURE SEVERAL MONTHS
AGO. THEIR ONLY RECOURSE WAS TO VENT THIS FRUSTRATION IN
NUMEROUS EMOTIONAL AND ACRIMONIOUS INTERVENTIONS.
SHELTON

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